

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2003-784

December 31, 2003

CONSUMERS MAINE WATER -
Kezar Falls Division
Proposed Rate Increase (\$55,712
or 22.64% Increase in Revenue)

ORDER APPROVING
STIPULATION

WELCH, Chairman; DIAMOND and REISHUS, Commissioners

I. SUMMARY

We allow the rate increase for Consumers Maine Water Company – Kezar Falls Division (Consumers), as agreed to by the Office of the Public Advocate and Consumers, to take effect for service provided effective on December 31, 2003, as reflected in the Stipulation Agreement dated December 19, 2003.

II. PROCEDURAL HISTORY

On October 22, 2003, Consumers, pursuant to 35-A M.R.S.A. § 307, filed a proposed rate increase for its Kezar Falls Division of 22.64% or \$55,712 of additional annual revenue. In its filing, Consumers states that “this increase is driven by installation of new 12” main on the new bridge crossing the Ossipee River, as well as replacement of 4,500 feet of approximately 100-year old 6” main with new 8” and 12” main.” The Office of the Public Advocate (OPA) intervened in the case. On November 14, 2003, the Commission issued Suspension Order #1, which suspending the effective date of the proposed rates to allow for further review by the parties.

A technical conference was held on December 1, 2003, to discuss the issues related to this case. On December 19, 2003, the parties filed a Stipulation Agreement between Consumers and the OPA settling all the issues in this case.

III. STIPULATION

The Stipulation provides for annual operating revenues of \$300,120, an increase of \$53,885, or 21.93%, over the 2002 unadjusted test year revenue, and it establishes an allowed rate base of \$1,077,672.

The rate increase will be allocated pro rata across all metered and fire protection classes. The Stipulation provides that rates will be effective on the day of the Commission Order approving the Stipulation, but no later than December 31, 2003.

The Stipulation provides that Consumers will submit to the Commission and to the OPA a detail of actual rate case expenses associated with this proceeding once final costs are known.

IV. DISCUSSION

In approving a stipulation, we consider whether the parties joining the stipulation represent a sufficiently broad spectrum of interests, whether the process leading to the stipulation was fair and whether the stipulated result is reasonable and not contrary to law. See, e.g., *Consumers Maine Water Company, Proposed General Rate Increase of Bucksport and Hartland Divisions*, Docket No. 96-739 (July 3, 1997) at 2. The Public Advocate represents the using and consuming public, in this case the customers of the Kezar Falls Division. The process of discovery, the technical conference and the informal conference calls allowed an opportunity for all interested persons to gather information about the reasons for the increase.

We believe that the process was fair; all interested parties had an opportunity to participate. We find that the proposed Stipulation resolves this case consistent with the law and the public interest. The Stipulation as filed results in rates that are just and reasonable and in the best interest of ratepayers. It also reduces the risk of increased costs if the case were fully litigated.

V. CONCLUSION

We approve the Stipulation filed by the parties in this case for rates to be effective on December 31, 2003.

ORDER

1. That the Stipulation filed on December 19, 2003, is approved; and
2. That the Kezar Falls Division Rate Schedules, Pages 1 through 4, Fifth Revision, filed on December 22, 2003, are approved for effect on December 31, 2003.

Dated at Augusta, Maine, this 31st day of December, 2003.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Diamond
 Reishus

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.